

B. Agency Needs, Specifications and Source Selection

The authority for State personnel to meet their needs through conduction of competitive procurement activities is as established under [Article 3](#), [Article 4](#) and [Article 5](#) of the Arizona Procurement Code including all corresponding Articles within the Arizona Administrative Code, as well as applicable Executive Orders and Technical Bulletins issued by the State Procurement Office.

1. Agency Needs

When a State agency, board or commission realizes a need for products and services they must first examine, organize and document their needs in a consistent form and manner. As applicable, these needed products and services, or [Requirements](#), are grouped into logical combinations, aggregated into quantities and projected-out over time in a manner that maximizes competition. Requirements shall not be inappropriately [Bundled](#) so as to avoid competition or in [Split](#) so as to avoid procurement rules and procedures

2.1.1. Scoping Requirements

[Scoping](#) is the act of identifying and grouping all required products and services within the purview of a given procurement. Scoping also includes the identification of all customers included in the procurement as well as their respective delivery locations. Requirements for like or related products and services are bundled in logical groupings, consistent when possible with similar products and service bundles available in the market.

2.1.2. Forecasting Requirements

Agency needs for products and services may be one-time, occasionally reoccurring or regularly reoccurring. [Forecasting](#) is the process of projecting-out over time, the extent to which an agency will continue to need required products and services. Forecasting Requirements shall be consistent with the market when possible and generally shall not extend beyond statutory limits.

NOTE: Since the APC was changed, the only 5-year limit is in [Article 5](#), pertaining to A&E contracts.

2.1.3. Documenting Requirements

After Scoping and Forecasting their needs, the agency articulates their Requirements into the appropriate instrument to initiate the procurement process. The [Purchase Requisition](#) is the initial document, wherein the agency articulates their Requirements as well as their budget and account information available to pay for these products and services. The Purchase Requisition created by or is submitted to the Agency Chief Procurement Officer or other assigned Procurement Officer with sufficient Delegated Procurement Authority. It is the Purchase Requisition that authorizes the expenditure of public monies for the products and services listed therein.

2. Specifications

Requirements that describe and differentiate various characteristics of products and services are known as [Specifications](#). And while Specifications are necessary to describe the needed products and services, the creation and application of Specifications is regulated under the Arizona Procurement Code and should only be conducted under the advisement of the Agency Chief Procurement Officer or other appropriately trained and experienced Procurement Officer. See [Article 4](#).

2.1.4. Types of Specifications

There are two general categories of Specifications. [Design Specifications](#) are used to describe the qualities and/or characteristics of products and services (typically products), and are often more usually detailed, precise and prescriptive. Design Specifications may also describe the manner in which the item is developed, manufactured, packaged, delivered, installed, maintained, dismantled and disposed of. Because of their specificity, the State assumes greater risk over for the make, fit and performance of products or services purchased using Design Specifications.

[Performance Specifications](#) on the other hand describe what the State seeks to achieve through the use or application of the products and services (typically services) and are usually less detailed and more descriptive of the results or resulting condition brought about by the product or service (typically a service). Because of their generality, the State assumes less risk over for the make, fit and performance of products or services purchased using Performance Specifications. Specifications including both Design and Performance requirements are known as [Combination Specifications](#).

2.1.5. Sources of Specifications

Agencies may consider using [Standard Specifications](#) maintained by the State or [Industry Specifications](#) maintained by various professional organizations or associations with industry-specific expertise. Agencies may also consider retaining [Consulting Services](#) in developing their Specifications. Given the affect that Specifications have on the competitiveness of a solicitation, the Agency Chief Procurement Officer or other authorized Procurement Officers should always be consulted prior to their use. Other Specifications include [Brand-Name](#), [Brand-Name-or-Equal](#), and [Restrictive Specifications](#).

3. Source Selection

Upon receipt of a Purchase Requisition, the Agency Chief Procurement Officer or other authorized Procurement Officer then determines the appropriate source for acquiring the products and services described in the requisition. [Source Selection](#) therefore is the determination of sourcing method, conduction of competition as necessary, and selection of the supplier or suppliers to provide the agency with the needed products and services. See [Article 3](#) and [Article 5](#). Agencies shall seek the appropriate source through the following means.

2.1.6. Existing Contracts

Content..... Mandatory permissive... Statewide...

2.1.7. New Contracts

Content..... Agency Discretion... Informal (including S/W/M)... Formal... Set Aside...

2.1.8. Other Agreements and Sources

In addition to existing and new contractual sources, when applicable agencies may source their requirements via alternative methods including: reallocating existing agency resources or personnel, [State Surplus](#), other agencies via [Interagency Service Agreement \(ISA\)](#), and other governments via [Intergovernmental Agreements \(IGA\)](#).

4. Summary

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